

FISCAL IMPACT STATEMENT ON BILL NO. **S577**

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TO:	The Honorable Glenn McConnell, Chairman, Senate Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Allan Kincaid, Kate Billing, Bryce Wilson, and Beth Campbell		
DATE:	April 4, 2005	SBD:	2005294

AUTHOR:	Senator Campsen	PRIMARY CODE CITE:	15-32-10
SUBJECT:	Personal Injury Actions Against Health Care Providers		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

The proposed Bill would increase the burden of proof for a person bringing a personal injury action based on the treatment or lack of treatment by a health care provider or health care institution; would enact the South Carolina Medical Claims Mediation Act, the South Carolina Medical Claims Arbitration Act and the South Carolina Unanticipated Medical Outcome Reconciliation Act.

EXPLANATION OF IMPACT:

State Budget and Control Board (Statewide)

A review of this Bill by Board staff indicates that for Sections 1, 4, and 5 of the Bill, there should be no impact on the General fund of the State or on Federal and /or other funds. A review of Sections 2 and 3 of the Bill that allow a health care provider or health care institution to participate in mediation or arbitration in resolving disputes arising from any medical services could result in some additional cost or savings. However, such costs or savings are indeterminable.

Medical University of South Carolina (MUSC)

MUSC indicates the Bill would likely result in fewer claims against their Emergency Services and OB/GYN Services. In FY 2003-04 claims totaling \$2.7 million in these two areas were settled and paid from the Insurance Reserve Fund. MUSC's malpractice premium increased by \$165,000 (45%) for FY 2004-05.

Other Agencies

The Departments of Health and Human Services, Mental Health, and Disabilities & Special Needs, as well as the Patient's Compensation Fund each report this Bill will have no impact on the General Fund of the State, or on Federal and/or Other Funds.

LOCAL GOVERNMENT IMPACT:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget